

TOP SECRET

28 May 1980

## MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 28 May 1980

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Mr. Carlucci chaired the meeting. [ ]

McMahon expressed concern re the Director's 23 May memorandum to him and [ ] on providing intelligence support to American business via the Department of Commerce. McMahon pointed up the potential for illegalities, for example, if the DDO should attempt to acquire data on bids by foreign companies made in competition with U.S. companies on projects abroad. [ ] agreed re a potential for legal problems. McMahon said also that DDO resources are already burdened with other priorities. Zellmer, however, said his interpretation of the Director's memorandum was less literal. Mr. Carlucci asked McMahon and [ ] to coordinate with OGC and advise the Director on specific problem areas.

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McMahon said word [ ] is that the environment and mode of operations by militants in Teheran is no different today than prior to the rescue operation, an indication that most of the American hostages may not have been dispersed to other locations. Relatedly, Mr. Carlucci called attention to Philip Taubman's 25 May column, "Doubt Is Raised About Dispersal Of The Captives," in the New York Times (attached) and expressed his concern re Administration officials addressing this matter openly. [ ]

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[ ] Mr. Carlucci said he hopes our staffs are properly advised and noted such open discussion by U.S. officials reduces credibility with our allies. [ ]

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Hetu said the editors of the Boston Globe and Minneapolis Tribune will meet today with Lloyd Cutler to discuss the journalist-government relationship. He said the Director has asked and Cutler has agreed that Hetu sit in on the discussion. Hitz opined that discussion is likely to focus sharply on the Moynihan Amendment. Mr. Carlucci advised that Cutler be provided beforehand with our views, e.g., a copy of a letter drafted recently for the Director's signature to Arthur Sulzberger, Chairman of the Board, New York Times. Hetu said the Director is not yet satisfied with the letter's content. Mr. Carlucci advised alternatively that Hitz and [ ] pull something together for Cutler via Hetu. [ ]

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Hetu noted ABC TV will air a three-part presentation on CIA beginning at 7:00 p.m. today. Included will be a Brit Hume interview of Mr. Carlucci and a Ted Koppel interview of former DCI Helms. In response to Mr. Carlucci's query, Hetu said he will tape the presentations. [ ]

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Clarke called attention to the Evans-Novak column, "What Did Happen at Sverdlovsk?" in today's Washington Post (attached) and growing attention being given on the Hill to the Sverdlovsk incident. He said HPSCI Subcommittee Chairman Aspin has scheduled a 29 May open session at which a Soviet emigre will testify; a closed session is to follow with testimony from DIA and State. Hitz said [ ] has already appealed to the HPSCI Staff on the dangers of an open hearing and that State and ACDA have registered their concerns as well. Clarke said growing public attention to this subject is likely to do us no good. [ ]

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Hitz noted Mr. Carlucci will be accompanied by Dirks in his meeting today with Representative Burlison. Hitz said also he is apprehensive about the Congressional outcome of S. 2284 on 3 June, specifically the handling of oversight language despite the President's advice to Representative Boland that language which strays from that which was agreed upon by the Administration would not receive his signature. Mr. Carlucci expressed his concern also noting, for example, that even the slightest manipulation of FOIA language could render the amendment useless. Relatedly, Mr. Carlucci asked Hitz to get a current reading on the strength of Agency support on the Hill. (Action: OLC) [ ]

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Briggs said the recent session conducted by OGC [ ] to provide guidance to IG officers on implementing E.O. 12036 was most helpful. He noted, for example, the session pointed up that E.O. 12036 provides more "flexibility" than he and his officers had realized. [ ]

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Wortman reported a security compromise which recently occurred in the handling of FOIA requests. He said a DDO cable containing personnel data was provided to Agee because it was filed inadvertently with unsanitized vis-a-vis sanitized documents. [ ] said, however, that the breach of security was relatively minor. Wortman said he is looking into ways for preventing such errors in the future, but underscored his concern that the paper volume and rush to satisfy FOIA requests engenders increased potential for such errors. [ ]

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NEW YORK TIMES  
25 MAY 1980

## Doubt Is Raised About Dispersal Of the Captives

By PHILIP TAUBMAN

Special to The New York Times

WASHINGTON, May 24 — The Carter Administration believes that most American hostages in Iran have not been dispersed as their captors report and that those removed from Teheran after the unsuccessful rescue attempt last month are being returned.

Although the Administration lacks conclusive proof, senior officials say that the majority of the hostages never left the embassy compound in Teheran.

Information reaching the United States through diplomatic and intelligence channels indicates that dispersal of the hostages presented major security and logistical problems for the militants who have held them captive since Nov. 4.

### 'Not a Factor Outside Teheran'

"The militants are just not a factor outside Teheran," a senior American official said. "Once they move outside the tightly controlled grounds of the American Embassy compound in Teheran they can't be sure of getting their way."

News of the whereabouts and condition of the hostages has been limited since the rescue mission, which was halted April 24 in the desert 200 miles southeast of Teheran because of helicopter mechanical failures.

With the exception of letters dated before April 24, families of the hostages have received no messages from them since the rescue attempt, according to State Department officials.

Two days after the rescue effort, the militants holding the American Embassy announced that their 50 hostages had been removed and would be scattered to prevent further rescue attempts.

In the weeks since the dispersal was

announced, the militants have reported that the hostages were being held in 15 cities and towns. Fragmentary accounts reaching the West described the movement of hostages to provincial cities, including Zenjan, Meshed and Tabriz.

The only transfer that the United States has been able to confirm, the officials said, was to Tabriz. The exact number moved there is undetermined, but the officials said the total was apparently less than 15.

The other reported moves appear to be a smokescreen, another official said, adding: "There is no hard evidence of other hostage movements. What evidence we do have tends to disprove announcements that they have been scattered."

Still another official said that "it's never made any sense" for the militants to move the hostages from the embassy compound. "All the power they have derives from their ability to hold the hostages, and that ability is threatened as soon as they leave the embassy, which is their fortress," he explained.

Available evidence indicates that most of the militants come from Teheran — a big advantage in arranging for supplies to support the embassy takeover. The embassy compound, according to the officials, also gives the militants a relatively small, walled area to defend and control.

### Support Lacking Outside Teheran

Similar advantages do not exist outside Teheran, the officials say. "It's not easy transporting, feeding and guarding captives when you lack active support within a community," an American intelligence official said. "The militants simply don't have that support outside Teheran."

As far as the Administration knows, no neutral observers have seen the hostages since the rescue attempt. Red Cross officials who visited the compound several weeks before the rescue effort said the hostages appeared to be in reasonably good condition.

The parents of one hostage, Rodney Virgil Sickmann, a 22-year-old Marine sergeant, said they tried to call their son at the embassy last week but were told that he was "far, far away."

Last week the militants demanded that the new Parliament vote to put the hostages on trial as spies and hinted that they would defy any other decision. The announcement was issued in Zenjan, one of the provincial cities where hostages were said to be held.

In discussing the doubts about dispersal of the hostages, White House officials have acknowledged that President Carter asked the Defense Department to prepare for another rescue attempt if a feasible plan could be designed.

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THE WASHINGTON POST  
28 May 1980

# What Did Happen at Sverdlovsk?

*Rowland Evans and Robert Novak*

One day recently President Carter received and read a devastating intelligence report that appears to eliminate all lingering doubt that the 1979 Sverdlovsk explosion resulted from germ warfare, a finding that now confronts Secretary of State Edmund Muskie with a hard test of his U.S.-Soviet policy.

In chilling detail, the report states, on the strength of a wide number of intelligence sources, that the "first casualties were a fairly large number of male [military] reservists at the military installation," site of the biological warfare laboratory that mysteriously exploded in April 1979. The report says the commander of the military installation committed suicide and that Defense Minister Dmitry Ustinov made an unannounced inspection two weeks after the explosion.

The Carter administration admitted on March 18 that it suspected Soviet germ warfare experimentation after preliminary reports of the deadly accident filtered through Soviet secrecy to the West.

Now, Muskie confronts two choices: charge the Russians with violating the 1975 treaty banning germ warfare experimentation or production, or sweep it under the rug at a time of heightened U.S.-Soviet tensions.

Complicating the answer are grave new questions linking Soviet violation of the unenforceable germ warfare treaty to American efforts to verify Soviet compliance with treaties on strategic arms limitation and nuclear testing. U.S. skeptics have always warned that without verification, Moscow will cheat the U.S. blind. Also at stake, as the untutored Muskie comes to grips with American policy toward the Soviet Union, are specific—but unpublicized—demands of U.S. friends for immediate international policing to force compliance with the germ warfare treaty.

This effort is being led by Sweden, which with other European states has reacted with understandable horror to the mysterious Sverdlovsk disaster. Muskie's predecessor, Cyrus Vance, and the ardent U.S.-Soviet detentists who advised him flatly rejected Sweden's pressure at the recent Geneva conference called to review the unenforceable 1975 treaty. Vance wanted to limit

talk about the Sverdlovsk explosion and its alleged treaty violation strictly to Washington and Moscow.

"It is far too important for that," one leading European ambassador told us. "It belongs to all of us, not just to the U.S., because we are all imperiled."

Just how imperiled becomes clear from reading the lurid yet understated intelligence report recently sent to the Oval Office. The report fully justifies the demand for an immediate international move to insist on ways to enforce the germ warfare treaty.

In the past few years, the report states, the Soviets "have acquired significant technology and equipment, built large-scale biological fermentation facilities and made progress in other areas considered useful should Moscow decide to pursue production of biological weapons."

Starting in late May 1979, persistent rumors were heard on the streets of Moscow—one of the few places where conversation is safe from police discovery—that a "disaster" had occurred in Sverdlovsk. Workers in an adjoining Sverd-

lovsk institute trying to flee the fatal germ poisoning released in the explosion "were held inside the facility by security personnel." Other workers, downwind in a ceramics factory, died even though they remained inside their building; ventilators had sucked in the fatal bacilli.

When Soviet authorities finally decided a public statement was mandatory, they blamed the deaths on infection from a slaughtered cow that had been suffering from anthrax.

But that "explanation" of the disaster as an outbreak of a "rare disease" called gastric anthrax was undercut when a Soviet general, who commanded the installation that housed the germ factory, committed suicide. Further weakening the "rare disease" myth was the unpublicized arrival of Defense Minister Ustinov, one of the three or four most powerful men in the Kremlin and a possible successor to ailing President Leonid Brezhnev.

The question of why a leading member of the Politburo would bother himself about the outbreak of a rare disease in a distant provincial city is so bi-

zarre that the intelligence report does not address it.

Adding to evidence that the dead died from pulmonary anthrax—breathing in of the biological agents released by the accidental explosion, not infection from touching or eating diseased meat—is the fact that "large areas around the military installation were graded and covered with asphalt" for decontamination.

An effective lethal dose of anthrax for an average man is about 10,000 spores. Accordingly, the death of several hundred human beings indicated "an extremely large number of anthrax spores—effectively negating any assessment of peaceful or defensive research being conducted" at the military facility.

That is the intelligence finding given Jimmy Carter, with all its dispassion. What to do about it now becomes a showcase example for Edmund Muskie as he approaches the most important challenge in his new job—the challenge of how to deal with the Soviet Union.